FOR RELEASE
OCTOBER 14, P.M.

Current Developments in

# THE FARM REAL ESTATE MARKET

Agricultural Research Service
UNITED STATES DEPARTMENT OF AGRICULTURE

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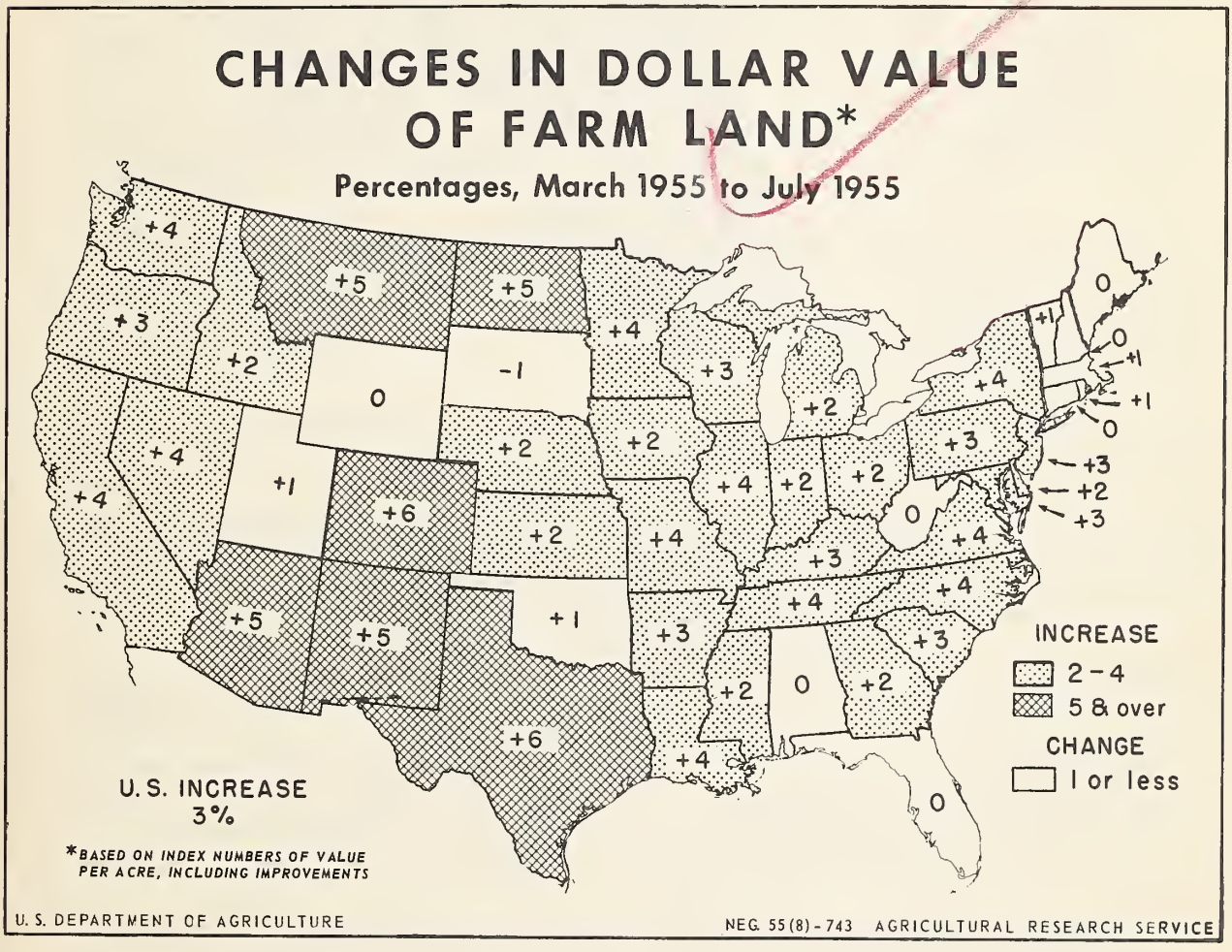
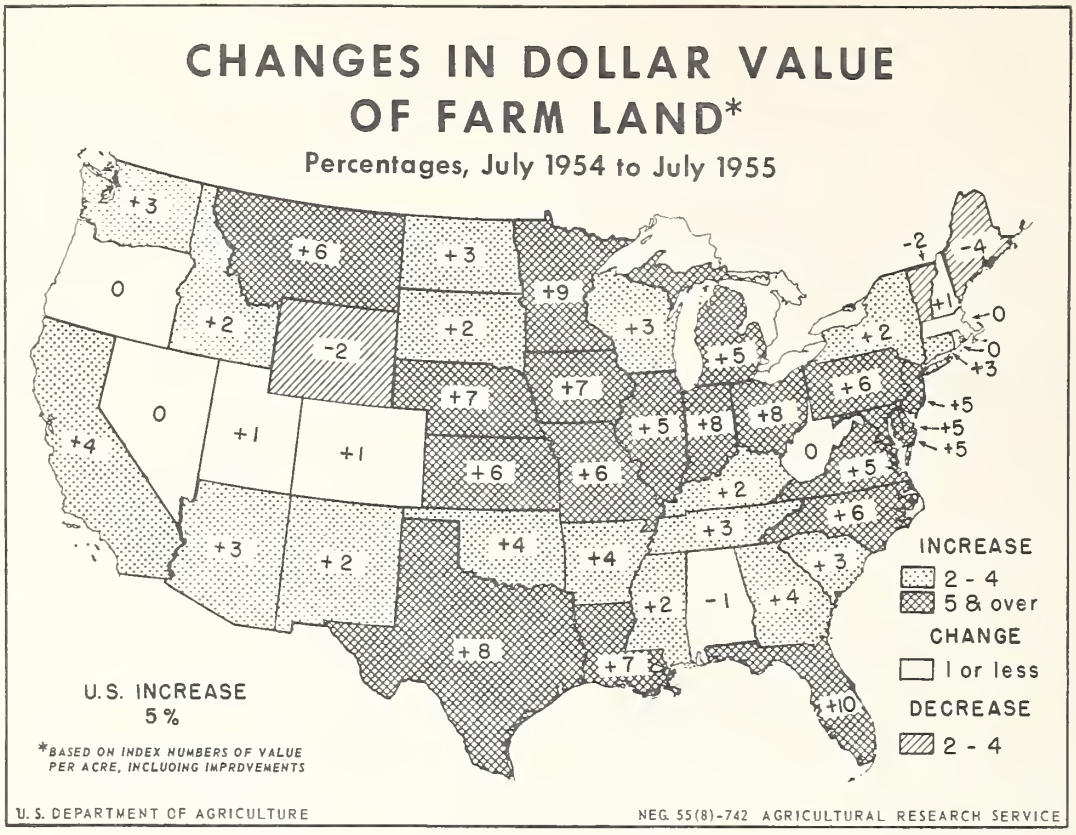
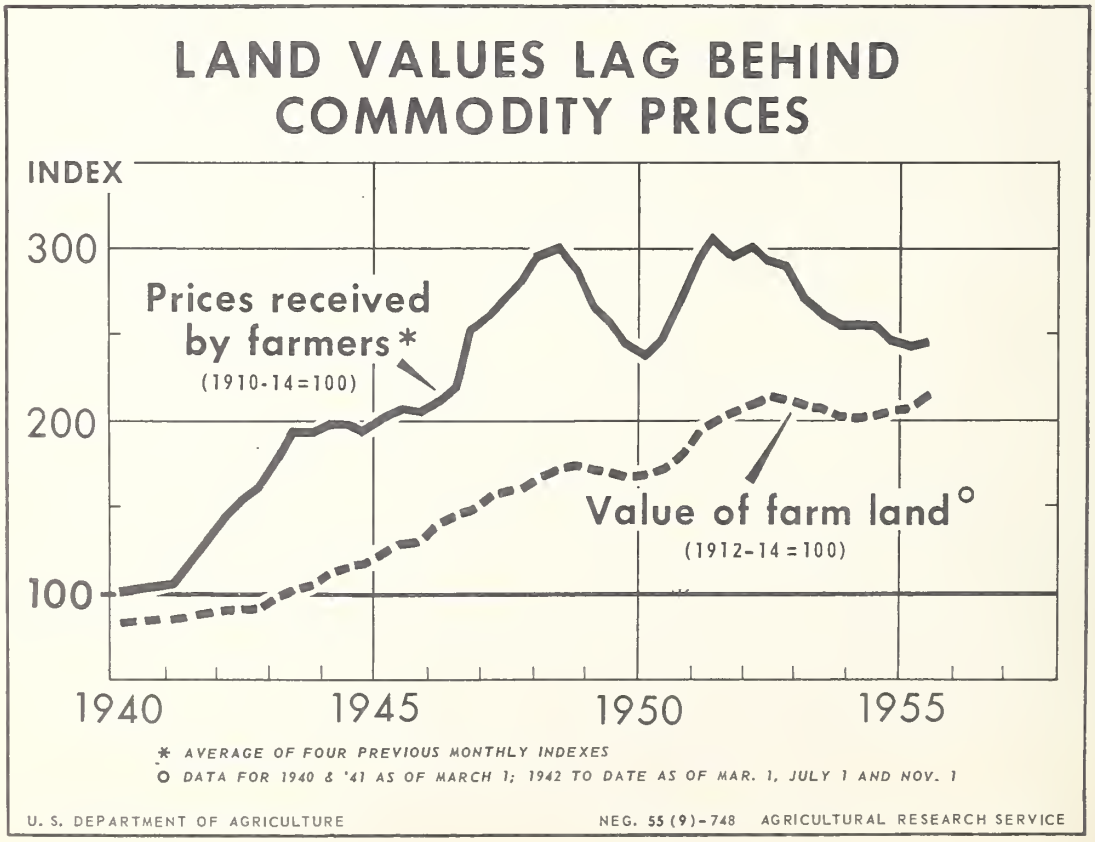



Farm real estate values advanced moderately in most States during the 4 months ended July 1. Increases were widely distributed, with values up 2 percent or more in three-fourths of the States. The national index was 129 (1947-49= 100), 3 percent above March and 5 percent above a year earlier, and equal to the previous all-time peak reached in July and November 1952.

New record peaks were reached in 17 States. Values this July ranged from 5 to 8 percent above a year earlier in most of the central Corn Belt States and in Texas, Louisiana, and Florida. Only three States -- Maine, Vermont and Wyoming -- reported values that were significantly below a year earlier.


CHANGES IN DOLLAR VALUE OF FARM LAND*
Percentages, July 1954 to July 1955
+3
0
+6
+3
+9
+2
+2
-2
+3
+7
+7
+5
+8
+8
+6
+5
+5
+5
+4
0
+1
+1
+6
+6
+2
0
+5
+6
+3
+3
+2
+4
+4
+3
+2
-1
+4
+8
+7
+10
-2
-4
+1
-0
-0
+3
INCREASE
2 - 4
5 & over
CHANGE
1 or less
DECREASE
2 - 4
U.S. INCREASE
5%
*BASED ON INDEX NUMBERS OF VALUE PER ACRE, INCLUDING IMPROVEMENTS
U. S. DEPARTMENT OF AGRICULTURE
NEG. 55(8)-742 AGRICULTURAL RESEARCH SERVICE


LAND VALUES LAG BEHIND COMMODITY PRICES
INDEX
300
200
100
Prices received by farmers*
(1910-14=100)
Value of farm land°
(1912-14=100)
1940
1945
1950
1955
* AVERAGE OF FOUR PREVIOUS MONTHLY INDEXES
° DATA FOR 1940 & '41 AS OF MARCH 1; 1942 TO DATE AS OF MAR. 1, JULY 1 AND NOV. 1
U. S. DEPARTMENT OF AGRICULTURE
NEG. 55(9)-748 AGRICULTURAL RESEARCH SERVICE

# CURRENT DEVELOPMENTS IN THE FARM REAL ESTATE MARKET

Approved by the Outlook and Situation Board, October 5, 1955

## SUMMARY

The upturn in market prices of farm real estate, which began during the last half of 1954, continued at an accelerated rate during the 4 months ending July 1, 1955. Values advanced 2 percent or more in three-fourths of the States and were essentially unchanged in the remaining States. The national index of average value per acre for July was 129 (1947-49 = 100), 3 percent above March and 5 percent above a year earlier. The current index is now equal to the previous peak that was reached in July and November 1952 following the Korean outbreak. All of the 6-percent decline that had occurred between July 1952 and November 1953 has been recovered. Values reached new record high levels in 17 States and were within 2 percent of their recent past peaks in 5 additional States.

Compared with a year earlier, values in 36 States showed gains of 2 percent or more. Largest increases occurred in the central Corn Belt where gains ranged from 5 to 8 percent, but similar increases were recorded in Texas, Louisiana, and Florida. Only three States -- Maine, Vermont, and Wyoming -- reported values that were significantly below a year earlier.

The strength shown in land values during the past 18 months, despite the downturn in farm commodity prices and income, appears to be based in part on strong demand for additional land to enlarge existing farms. Increased availability of credit also has been a factor in many Corn Belt States and in better farming areas elsewhere. In addition, favorable crop prospects as of mid-1955 and the buoyancy in the general economy appear to have strengthened both the demand for, and prices of farmland.

More than two-thirds of the farms and tracts sold in 1954-55 were bought by farmers. This was a slightly higher proportion than a year earlier. Farmers who already owned some land were the predominate class of farmer-buyers. They accounted for more than half of all transfers except in the North Central States. In this area, tenants and nonfarmers each made nearly a third of the total purchases. Nationally, about half of all transfers were made between farmers.

About a third of all farms and tracts sold in 1954-55 were bought for farm enlargement. Nearly half of such purchases were operated as single farms before they were sold. Possibly 50,000 farms were absorbed by the farm-enlargement process in 1954. Around 10,000 new farms were established from parts of existing farms.

Farm purchases during 1954-55 were credit-financed more frequently than in 1953-54. Nationally, 64 percent required credit, compared with 62 percent a year earlier. The average debt incurred amounted to 59

percent of the purchase price, the same as the previous year. However, more than a fourth of the credit purchases had debts of 75 percent or more of the purchase price. Nearly a third of the total debt was against properties where the downpayment was less than 25 percent of the purchase price. About the same average amount of debt was incurred by each general class of buyer.

New mortgage debt secured by farm real estate during the first half of 1955 was sharply higher than during the same period of 1954. Dollar volume of mortgage recordings of the Federal land banks was up 60 percent, and insurance companies increased 34 percent. Most of the increase in loan volume was due to the sharp rise in average size of loan, although the number of loans was up 9 percent.

## Land Values Again at post-Korean Peak

Trends in land values in most States have followed a consistent pattern since the Korean peak was reached in mid-1952. By that date increased farm income and strong inflationary pressures following the Korean outbreak had raised land values an average of 20 percent during a period of 16 months. Values in about a third of the States advanced 30 percent or more above their 1947-49 average and the national index rose 29 percent above that average. This was 23 percent higher than the previous peak in 1920.

After farm commodity prices turned downward about mid-1952, land values also began a gradual decline that extended through late 1953. Regionally, the decline was largest in the Mountain States where the sharp break in cattle prices was a stronger influence than in other areas. Drought acted as an additional depressant on values in several other States, notably Missouri, Arkansas, and Oklahoma. Elsewhere, the total decline from the Korean high to the low point in 1953 was more moderate, generally amounting to not more than 5 to 7 percent. Continuing strong urban influences in many of the eastern seaboard States helped to limit the decline there to only 2 or 3 percent. Nationally, values declined about 6 percent during this period.

Values remained essentially unchanged from late 1953 through early 1954 and then began a gradual rise that has continued through the first half of 1955. The gains in about half the States has nearly, or completely, offset previous declines, and new record peaks were reached in 17 States this July. States where values are currently farthest above previous peaks include Michigan, Indiana, Pennsylvania, and most of the States along the eastern coast from New Jersey to Florida. Values in most of the Mountain and Pacific regions remain from 10 to 15 percent below their Korean peaks. In the eastern two-thirds of the country, values in Maine, Kentucky, Missouri, New Hampshire, and New York are farthest below their previous peak.

## Factors Contributing to Recent Upturn in Land Values

The strength shown in prices of, and demand for, farm real estate during the last 18 months has been unusual in view of the trends in farm commodity prices and farm income. Based on past relationships, one would have expected land values to remain stable or to decline slightly in the last year. Apparently, several other factors are responsible, the exact nature and relative importance of which are difficult to evaluate. Among the more important of these are the following: (1) The pressure to utilize mechanization more fully as a means of reducing costs per unit of output; (2) more liberal lending policies adopted by several major classes of lenders; (3) the favorable crop prospects as of midyear and (4) the buoyancy in, and favorable outlook for, the general economy.

A substantial part of the demand for farmland in commercial farming areas comes from farmers who seek additional land to permit more efficient use of farm machinery. 1/ Although this is not a new factor in bolstering land values, its importance has increased in recent years because of strong incentives to reduce labor requirements and costs of production per unit of output. Large initial investments in more highly specialized farm machines require larger acreages than many farmers have available at present, if they are to achieve the lowest machine cost per unit of output. Consequently, these farmers are strong bidders for the relatively few farms and tracts that come on the market. Frequently they have greater financial resources and larger debt-carrying capacities than beginning farmers. Also they have a somewhat different basis for valuation. The increase in net income from the entire farm if the additional land can be acquired is often substantially more than could be realized from the smaller tract if it were operated as a single farm.

No doubt more liberal lending policies, notably those of insurance companies and the Federal land banks, have contributed to the recent strength in land values in many Corn Belt States and in better farming areas elsewhere. Insurance companies reduced their interest rates, usually by one-half of 1 percent in the spring of 1954, and also increased their appraisals or upper loan limits. The Federal land banks increased their appraisals in late 1954, but did not change their interest rates. Both classes of lenders expanded their lending activities, thus permitting many prospective buyers to make purchases that could not have been financed under terms available in 1953. Also, it seems probable that the general easing of credit encouraged other prospective buyers to assume long-term debt obligations that they had been reluctant to assume under more stringent credit conditions. However, some tightening in the supply of insurance company funds available for farm mortgages has occurred since midyear. It stemmed from the increased demands for mortgage funds in the urban housing market.

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1/ Regional differences in the extent of purchases for farm enlargement are discussed more fully on page 13.

Excellent crop prospects as of midyear appear also to have added to the general optimism of farmers and landowners. Indications as of July 1 were that total crop production in 1955 would be the second largest on record. Average yields were expected to set a new record. Thus, the larger volume of marketings in prospect at that time tended to offset the effects of lower prices on farm income. Several areas that had experienced drought in recent years were again looking forward to more normal harvests.

General business conditions in the Nation during the first half of 1955 were very favorable. Incomes and spending of both individual consumers and business firms advanced steadily throughout the first half of the year. Production and sales were strong in response to rising consumer demand. The rise in consumer demand, which has been underway since last fall, has been accompanied by an upturn in business purchases of plants and equipment as businessmen step up their programs to increase productive capacity and modernize plants. Because of these developments, a high level of nonagricultural employment has been maintained. On a seasonally adjusted basis, it has increased each month since December of last year and in June the number of persons employed was more than 1 million above the June 1954 count.

The selective nature of the decline in farm commodity prices in the year ended last July probably helped to sustain land values. Most of the decline was in prices of livestock and livestock products rather than in prices of crops. As of June 15, prices of some crops, notably wheat and other food grains averaged above a year earlier, while prices of most feed grains were only a little lower. In view of the general tendency for land prices to be more responsive to crop prices than to livestock prices, except in ranching areas, the relative greater stability in crop prices, has served at least to maintain land values. Assurances of continuing price-support programs for major crops, even though at somewhat lower levels, tend to reduce uncertainty as to future prices.

## Regional Factors That Affect the Market

Comments and observations by State agricultural statisticians in their July reports provide some information concerning the more significant developments in the current farm real estate market in their areas at midyear. Industrialization and suburbanization continue to sustain farmland values in the Northeast by creating demand for rural residences and small acreages for part-time farms. Values of farmland reached new record high levels in Pennsylvania and New Jersey and the previous peak was equaled in Connecticut.

Land values in the Midwest continued to increase during the 4 months ended in July, with new high peaks in value recorded for all States in the area, except Missouri and Wisconsin. In these two States values were 7 and 4 percent, respectively, below the previous high. Increases from March to July averaged approximately 3 percent for the

Table 1.- Percentage change in index of average value of farm real estate per acre, by geographic divisions, selected periods, 1953-55

| Geographic division | Change during year ended- | | | Change during 4 months ended- | | |
|---|---|---|---|---|---|---|
| | July 1953 | July 1954 | July 1955 | July 1953 | July 1954 | July 1955 |
| | Percent | Percent | Percent | Percent | Percent | Percent |
| New England | 0 | -5 | -1 | 0 | 0 | 0 |
| Middle Atlantic | -2 | -2 | +5 | -1 | 0 | +4 |
| E. North Central | -2 | +2 | +5 | -2 | +1 | +3 |
| W. North Central | -4 | -2 | +6 | -2 | +1 | +2 |
| South Atlantic | +1 | -2 | +5 | -1 | +1 | +2 |
| E. South Central | -2 | -5 | +2 | -2 | 0 | +3 |
| W. South Central | -5 | -2 | +7 | -2 | 0 | +5 |
| Mountain | -7 | -8 | +2 | -1 | -1 | +4 |
| Pacific | -3 | -1 | +3 | -1 | +3 | +5 |
| United States | -3 | -2 | +5 | -2 | +1 | +3 |

area, with the sharpest advances occurring in Missouri, Illinois, and Minnesota. Droughts affected parts of Missouri and Illinois a year ago but they were relieved during the present growing season and as of July 1 crop prospects were excellent in all States of the region. Few farms are offered for sale today as present owners think the return from investment in land favorable in comparison with other alternatives. Demand for good farms in southern Michigan was reported strong. Farmers in Ohio, who were forced to sell their land for construction of the Ohio turnpike, were active cash buyers of farmland in adjacent areas. Moisture was short early this spring in the central area of Minnesota but by July 1 crop prospects were excellent as a result of early summer rains.

Crop prospects in the Northern Plains States improved materially in June, which contributed to the increase in land values in that area. Values in North Dakota were at a new high while those in Nebraska were equal to the previous peak of July 1952, and values in Kansas were only 1 percent below the record high. Values in South Dakota remained at about the March 1955 levels. This may be attributed to the somewhat unfavorable prospects for small-grain crops in many areas of the State, although row crops appeared to be in better condition.

Land values increased in most States of the Southeast, as previous record high values were equaled or exceeded in all States on the Atlantic coast. Crop prospects as of July 1 throughout this area were better than those of last year when drought temporarily reduced activity in the land market.

Although crop prospects in the Southwest were the poorest of any area in the country, there was general improvement over a year earlier, and land values were higher in all States. New record highs were set in Texas and Louisiana, as values in these two States were 6 and 4 percent, respectively, above the March levels. However, drought was serious over the southern part of Texas as well as in the central area of the State. The poor prospects in the Oklahoma panhandle and adjoining areas in northern Texas may be reflected later in the land values of these areas.

Although the wide range in type of land and farming enterprises in the Mountain and Pacific States makes it difficult to establish definite trends in land values at midyear, some general movements appeared to be present. The value of irrigated land was higher than a year ago in most States. Dry farming land was valued at levels above a year earlier in the northern States of the region, while values of grazing land showed mixed trends. The average value of all farmland was unchanged or higher than last July in all States except Wyoming, where reduced values for grazing land offset increases in the value of dry farming and irrigated land. The severe drought that prevailed over most of eastern Colorado during the summer of 1954 was generally relieved by early summer of 1955 and crop prospects were good over most of the State. Favorable moisture reserves were present over most of the dry farming and range lands in the northern States. The supply of irrigation water appeared to be generally adequate for most crops. A large fruit crop was in prospect in Washington, although pastures in that State were poorer than a year ago.

## Average Sales Prices Advance 2/

The average price paid for farmland sold during 1954-55 was generally higher than a year earlier. Good quality land sold at higher prices in all except one major farming area. Increases ranged from nominal in the eastern Corn Belt to substantial in the eastern tobacco area. In general, more areas showed increases in the sales price of good farms than for average farms, and the increases were larger. Sales prices for

2/ The material in this and succeeding sections is based on a sample of from 12,000 to 15,000 sales of farm real estate reported by farm real estate dealers and others in mail surveys conducted in March each year. Most of the sales reported probably took place during the 6 months preceding the date of the survey. Reporters provide detailed information for each sale, including sales prices, terms of financing, type of buyer and seller, quality of land and buildings, and other items. These data have been summarized by States and major type-of-farming areas.

Changes in average sales prices need not necessarily agree with the changes in market values that are measured by the index of average value per acre and which were discussed earlier in this report. Sales prices relate only to the relatively few farms that are sold each year, whereas the index measures changes in the estimated market value of all farmland. Changes in the quality of land sold from year to year often obscure, or distort, general trends in market values.

land rated "poor" also averaged a little higher than a year earlier in most areas. Irrigated land in the Western States sold at prices considerably above those of the previous year, but prices of dry farming land were generally lower. Prices of grazing land were lower in the northern range livestock area but slightly higher in the southern area.

No significant change was noted in the quality of farmland sold during 1954-55, compared with a year earlier. Reporters classified 39 percent of the farms and tracts sold as "good," 48 percent as "average" and only 13 percent as "poor". A slightly higher percentage of the sales reported in the wheat areas were classified as "good" than a year earlier. Sales of "good" farms accounted for the smallest proportion of total sales in the cotton and general farming areas.

Nearly half the land bought by tenants was rated as average, and about 40 percent was classified as good. Owner-operators bought a slightly higher proportion of good land than tenants, and a smaller proportion of average tracts. Good quality farmland made up a smaller proportion of tenant purchases than a year earlier in about half the States in the eastern two-thirds of the country. Tenants bought poor land less frequently than did owner-operators.

The range in sales prices between the lowest and highest quality of land remained virtually unchanged in 6 of the farming areas, widened in 5 areas, and narrowed in the remaining 3. The widest dollar range in sales prices occurred in the eastern Corn Belt where poor land averaged $149 per acre and good land $330. The spring wheat area showed the smallest range, $21 for poor land and $48 for good land (table 2). More significant, however, is the percentage spread among general grades of land. In the eastern Corn Belt, for example, land rated good sold for about a third more than average land, and poor land sold for about 60 percent of the price for average land. The widest percentage differential shown by the 1954-55 sales occurred in the general farming, winter wheat, and burley tobacco areas. In these areas, good land sold for twice as much as average land, and poor land sold for about 70 percent of the price for average land. In general, the percentage spread between poor and average land was less than the spread between average and good land.

Factors other than the quality of land contribute also to the wide range that characterized farmland prices. Extent and condition of buildings are important in many areas, while location, potential nonagricultural use of land, prospects for oil and gas, and many other factors affect the sales price of individual properties. Although average sales prices are readily computed and are useful for some purposes, greater attention should be given to the range in sales prices in an area, particularly when such prices are used as a guide for appraisal or tax assessment.

Frequency distributions of sales prices were made from the sample data and several measures of dispersion were calculated. A range in prices that will include a given percentage of all sales is a convenient device to indicate the probable applicability of an average price to

Table 2.- Average price of farmland sold, range in prices, and average price by quality of land sold, selected type-of farming areas, 1954-55 1/

| Type-of-farming area 2/ | Number of sales | All sales: Average price per acre 3/ | All sales: Range in prices 4/ | Average price per acre: Poor land | Average price per acre: Average land | Average price per acre: Good land |
|---|---|---|---|---|---|---|
| | Number | Dollars | Dollars | Dollars | Dollars | Dollars |
| Northeast dairy | 982 | 139 | 30-375 | 74 | 115 | 169 |
| Lake States dairy | 828 | 148 | 65-290 | 83 | 131 | 178 |
| General farming | 1,362 | 106 | 30-275 | 65 | 76 | 164 |
| Eastern Corn Belt | 1,311 | 265 | 120-500 | 149 | 243 | 330 |
| Western Corn Belt | 2,550 | 148 | 60-330 | 79 | 126 | 210 |
| Spring wheat | 587 | 34 | 20- 90 | 21 | 29 | 48 |
| Winter wheat | 818 | 96 | 40-290 | 51 | 76 | 161 |
| Eastern cotton | 363 | 60 | 20-145 | 35 | 54 | 72 |
| Central cotton | 603 | 89 | 25-230 | 48 | 75 | 126 |
| Western cotton | 690 | 67 | 25-225 | 28 | 66 | 126 |
| | | | | Graz-ing | Dry far-ming | Irri-gated |
| N. Range livestock | 703 | 34 | -- | 10 | 46 | 194 |
| S. Range livestock | 334 | 57 | -- | 16 | 32 | 222 |
| California specialty | 318 | 322 | -- | 93 | 115 | 540 |

1/ Based on a sample of sales of farm property reported by farm real estate dealers and others in a March 1955 survey. Most of the sales probably took place during the 6 months preceding the date of the survey.

2/ See map on inside back cover page for location.

3/ Total consideration divided by total acres sold. This average may exceed that indicated by average sales prices for good, average, and poor farms because the distribution of sales prices is usually skewed to the right.

4/ This range excludes the highest and lowest 10 percent of the sales. The price per acre for approximately 80 percent of all tracts of farmland sold was within the range indicated for each type-of-farming area.

individual farms in an area. 3/ As shown in table 2, the range in sales prices is widest in the northeastern dairy, general farming, winter wheat, and cotton areas. It is smallest in the Corn Belt and Lake States dairy areas. Similar ranges in sales prices for irrigated, dry farming, and grazing land were not calculated, but it is probable that the range for each class of land would not be as great as for all farmland in the eastern two-thirds of the country.

## Farmers Slightly More Active in the Farm Real Estate Market

More than two-thirds of the farms sold in 1954-55 were bought by farmers, slightly more than in the previous season (table 3). All classes of farmer-buyers were more active during the recent period. The proportion of purchases by nonfarmers declined slightly from the previous year, after two seasons of increases. The proportion of purchases made by each type of buyer varies considerably among areas. Purchases by farmers were most frequent in the West North Central and Mountain States where they accounted for approximately 80 percent of all transfers. Farmer-purchases were lowest in the New England and Atlantic States where less than 60 percent of the sales were made to farmers. The proportion of farms bought by farmers who already owned other land continued to increase in most areas. More than 50 percent of all farmer-purchases were made by this class of buyer in all regions. Tenants were most active as purchasers of land in the North Central States.

Sales by active farmers made up a larger proportion of all sales in 1954-55 than a year earlier. They accounted for more than half of all transfers in each area of the Nation except the Central States. Retired farmers made an additional 16 percent of all sales; estates represented 15 percent and nonfarmers, 14 percent. Sales by lending agencies were estimated to be one-half of 1 percent of the total, the lowest level recorded since comparable estimates began in 1940. Sales by local, State, and Federal government agencies were also at a new low, amounting to only 0.3 percent.

Approximately half of all farm transfers were made between farmers, while nearly 20 percent of sales were made by farmers to nonfarmers. Sales by estates to farmers accounted for slightly more than 10 percent of all transfers. Sales by nonfarmers to farmers totaled slightly less than 10 percent of all sales and a similar amount was sold by nonfarmers

3/ Almost half of the 200 crop-reporting districts for which adequate sales data are available showed a range in the coefficient of variation of from 50 to 75 percent. Districts in the central Corn Belt usually showed the lowest coefficients, while coefficients of well above 75 percent, and often exceeding 100 percent, were found in many districts in the southeastern and southwestern States. Little, if any, significant change has been observed in the coefficients of sales prices for the various crop-reporting districts since they were first calculated for sales obtained in 1952.

Table 3.- Farm real estate transfers: Percentage distribution by type of buyer and seller, United States, years ending March 1, 1950-55 1/

| | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 |
|---|---|---|---|---|---|---|
| | Percent | Percent | Percent | Percent | Percent | Percent |
| Type of buyer: | | | | | | |
| Tenant | 29.3 | 23.8 | 24.7 | 24.0 | 23.4 | 24.1 |
| Owner-operator | 36.6 | 38.1 | 38.5 | 38.3 | 38.4 | 39.0 |
| Retired farmer | 4.3 | 4.3 | 4.7 | 4.3 | 4.3 | 4.4 |
| Nonfarmer | 29.8 | 33.8 | 32.1 | 33.4 | 33.9 | 32.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Type of seller: | | | | | | |
| Active farmer | 52.7 | 53.9 | 55.2 | 54.1 | 51.8 | 53.7 |
| Retired farmer | 15.5 | 15.5 | 15.0 | 14.4 | 14.9 | 15.8 |
| Estate | 14.8 | 13.7 | 14.1 | 15.8 | 16.7 | 15.2 |
| Lending agency | 1.1 | .7 | .6 | .7 | .7 | .5 |
| County, State, or Federal Government | .4 | .6 | .6 | .5 | .4 | .3 |
| Other | 15.5 | 15.6 | 14.5 | 14.5 | 15.5 | 14.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

1/ Weighted by the estimated total number of transfers at geographic division levels.

to other nonfarmers.

Nearly 80 percent of the purchasers of farmland in 1954-55 lived in the same county in which the land was located, or in an adjoining county. Purchases by nonresidents occurred most frequently in the New England and Pacific States where demand for rural residences on the part of urban workers has continued strong. The proportion of local-resident buyers was unchanged in the Central and Southeastern regions.

Slightly more tracts without buildings were sold this season than a year earlier. Nationally, 16 percent of all sales had no buildings. Sales of unimproved tracts have increased in recent years, reflecting increased purchase of land for farm enlargement. Nearly a third of all tracts sold in the wheat areas were without farm buildings. The range livestock areas were the only major areas that did not show an increase in sales of land without buildings.

Ninety percent of the farms and tracts purchased by active farmers were bought for operation by the farmers themselves. Only 57 percent of the purchases by nonfarmers and 38 percent of the purchases by retired farmers were to be operated by the purchasers themselves or with the help of family or hired labor. Retired farmers intended to lease the land to relatives more frequently than other classes of buyers. Nearly a fourth of their purchases were to be operated by relatives, whereas active farmers and nonfarmers intended to lease only 5 percent of their purchases of relatives. Active farmers as well as nonfarmers purchased land for leasing most frequently in the West North Central States.

## Fourth of All Transfers Involve Changes in Farm Organization

The farm real estate market provides an important means for the adjustments in size of farms that are constantly required in a dynamic agriculture. Older farmers have traditionally "retreated" from farming by selling parts of their farms, while younger men seek such opportunities to expand the size of their businesses. Others on small and inefficient units who change to nonfarm employment often sell to nearby farmers who wish additional acreage. Although the typical sale of farm real estate consists of the transfer of a complete farm unit from one farmer to another, the transfer of tracts and parcels of land has increased in relative importance in recent years. Likewise, smaller, inadequate farming units have been added to other farms at an increasing rate. Additional land is often needed for more efficient use of existing machinery. Certain types of new machines are profitable only if the high initial cost and annual depreciation can be distributed over a large total output. In wheat areas that have few alternative crops, the cut-back in crop acreages as a result of the price-support program also has given farmers the incentive to buy additional land with allotments so that machinery costs per unit of output may be held down and labor kept profitably employed.

Some indication of the extent to which farm sales and purchases result in changes in the number and size of farms was obtained from an analysis of the sample of sales obtained from the March 1955 survey. Reporters noted the way in which the tract or farm was operated before and after sale. Nationally, these data showed that about a third (32 percent) of the sales reported would become part of an existing farm after sale (table 4). This is the highest proportion of all purchases that were for farm enlargement since estimates were first started in 1948-49. The sharpest increases during this period occurred in the Corn Belt and wheat areas, where currently about two-fifths and three-fifths, respectively, were bought for this purpose. Compared with a year earlier, the sharpest increase was reported in the burley tobacco area where the proportion increased to 30 percent of all sales in 1954-55. The reduction in tobacco acreage allotments has apparently encouraged many farmers to buy other tracts with allotments in order to maintain or increase their production base.

Table 4.- All farm transfers: Percentage for farm enlargement, selected major type-of-farming areas, 1949-55 1/

| Type of farming area | Average 1949-51 | 1952 | 1953 | 1954 | 1955 |
|---|---|---|---|---|---|
| | Percent | Percent | Percent | Percent | Percent |
| Eastern dairy | 12 | 15 | 16 | 16 | 15 |
| General farming | 18 | 21 | 19 | 18 | 21 |
| Eastern Corn Belt | 25 | 30 | 33 | 33 | 40 |
| Western Corn Belt | 26 | 26 | 30 | 31 | 34 |
| Wheat areas (eastern) | 46 | 48 | 49 | 50 | 57 |
| Western cotton | 26 | 32 | 30 | 32 | 37 |
| Burley tobacco | 11 | 20 | 20 | 19 | 29 |
| Western range livestock | 29 | 32 | 32 | 36 | 37 |
| United States | 23 | 26 | 28 | 29 | 32 |

1/ Based on a sample of sales reported in March surveys. Most of the sales probably occurred during the 6 months preceding the date of the survey.

About 45 percent of the tracts and farms bought for farm enlargement during 1954-55 were operated as single farms before they were sold (table 5). Except for a small number that were part-time farms, the rest were parts of other farms before they were sold. Such transfers result in an adjustment in the acreage of the two farms involved but they do not change the number or average size of all farms.

Considering only sales of properties that were operated as single farms before sale, slightly more than 75 percent remained single farms after sale, and around a fifth were combined with other farms. The rest, about 3 percent, became part-time farms and rural residences. If these proportions are applied to the total number of voluntary transfers in the country, it appears that possibly 50,000 farms were absorbed during 1954-55 by the farm-enlargement process. Only partly offsetting this were the relatively few transfers in which parts of farms became single farms after sale. The total number of transfers of this type is not believed to exceed 10,000 new farm units.

As the reporters were instructed to exclude all properties bought primarily for nonfarm purposes, the relative importance of part-time farms and rural residences is probably understated in the sample. Even so, about 5 percent of all sales reported were for this purpose and most contained 10 acres or more. More than half of such transfers were part-time farms before sale, and they remained in this general class after sale. However, a substantial number of such farms were full-time farms before sale, and some were detached from existing farms.

Table 5.- All farm transfers: Percentage distribution by method of operation before and after sale, United States, 1954-55 1/

| How operated before sale | How operated after sale | | | Total |
|---|---|---|---|---|
| | Single farm | Part of another farm | Part-time farm 2/ | |
| | Percent | Percent | Percent | Percent |
| Single farm | 54.9 | 14.5 | 2.4 | 71.8 |
| Part of another farm | 5.9 | 16.8 | .8 | 23.5 |
| Part-time farm 2/ | 1.2 | .9 | 2.6 | 4.7 |
| Total | 62.0 | 32.2 | 5.8 | 100.0 |

1/ Based on 10,819 sales obtained from the March 1955 farm real estate survey.
2/ Includes rural residences of 10 acres or more.

## More Farm Purchases Credit-financed

Slightly more credit was used to finance purchases of farms in the winter and early spring of 1954-55 than in the previous year. The increase was due to a slight rise in the proportion of sales which were credit-financed, as the amount of debt in relation to the purchase price remained about the same as a year earlier. Nationally, about 64 percent of all sales were financed with some form of credit during 1954-55; the comparable figure a year earlier was 62 percent. Credit was used more frequently in most areas of the Nation (tables 6 and 7). The proportion of sales credit-financed was highest in the Northeast and the Pacific States where more than 70 percent of all sales involved credit. The lowest level of credit sales occurred in the Southeastern States. This reflected in part the smaller total investment required for the typical purchase in these States, and the more limited credit facilities.

The average debt was 59 percent of the purchase price during 1954-55, unchanged from the 1953-54 season (table 7). In order to show the frequency of larger debts which might cause financial difficulties in the future, credit purchases were classified into four groups according to the relative size of debt. More than a fourth of the credit sales had debts of 75 percent or more of the purchase price. This is the largest proportion of sales in this debt class since records were started in 1949. When the total amount of debt incurred in credit purchases is similarly distributed, nearly a third was against properties for which the downpayment was less than 25 percent of the purchase price. Properties for which half or more

Table 6.- Credit-financed purchases: Proportion of all sales and ratio of debt to consideration, years ending March 1, 1951-55 1/

| Geographic division | Proportion of all sales credit-financed | | | | | Ratio of debt to consideration | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1951 | 1952 | 1953 | 1954 | 1955 | 1951 | 1952 | 1953 | 1954 | 1955 |
| | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. |
| New England | 70 | 70 | 72 | 77 | 76 | 64 | 61 | 64 | 66 | 66 |
| Middle Atlantic | 65 | 66 | 64 | 67 | 69 | 57 | 57 | 59 | 61 | 61 |
| E. North Central | 60 | 65 | 68 | 68 | 70 | 51 | 51 | 54 | 55 | 56 |
| W. North Central | 55 | 54 | 58 | 62 | 63 | 51 | 51 | 51 | 56 | 55 |
| South Atlantic | 45 | 44 | 48 | 52 | 57 | 59 | 59 | 62 | 63 | 64 |
| E. South Central | 49 | 48 | 54 | 57 | 58 | 50 | 58 | 57 | 62 | 61 |
| W. South Central | 50 | 54 | 56 | 58 | 59 | 54 | 54 | 57 | 58 | 59 |
| Mountain | 54 | 62 | 65 | 66 | 68 | 59 | 59 | 61 | 62 | 64 |
| Pacific | 60 | 68 | 70 | 70 | 74 | 60 | 61 | 56 | 60 | 61 |
| United States | 54 | 56 | 59 | 62 | 64 | 54 | 55 | 56 | 59 | 59 |

Table 7.- Credit-financed transfers: Proportion of all sales, ratio of debt to consideration and average debt per acre, selected type-of-farming areas, 1953-55 1/

| Type-of-farming area | Proportion of all sales credit-financed | | | Ratio of debt to consideration | | | Average debt per acre | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1953 | 1954 | 1955 | 1953 | 1954 | 1955 | 1953 | 1954 | 1955 |
| | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Dol. | Dol. | Dol. |
| Northeast dairy | 67 | 69 | 71 | 60 | 61 | 61 | 71 | 72 | 78 |
| Lake States dairy | 72 | 73 | 75 | 60 | 61 | 62 | 73 | 75 | 75 |
| General farming | 53 | 56 | 54 | 54 | 56 | 56 | 52 | 56 | 69 |
| Eastern Corn Belt | 64 | 63 | 66 | 48 | 48 | 51 | 115 | 106 | 133 |
| Western Corn Belt | 61 | 63 | 65 | 50 | 52 | 53 | 67 | 75 | 78 |
| Spring wheat | 58 | 56 | 56 | 60 | 64 | 67 | 17 | 21 | 23 |
| Winter wheat | 49 | 51 | 52 | 50 | 54 | 52 | 46 | 37 | 54 |
| Eastern cotton | 49 | 53 | 61 | 65 | 67 | 66 | 36 | 33 | 40 |
| Central cotton | 55 | 58 | 62 | 58 | 62 | 66 | 52 | 51 | 60 |
| Western cotton | 60 | 59 | 59 | 55 | 56 | 56 | 43 | 43 | 38 |
| N. range livestock | 68 | 65 | 67 | 60 | 58 | 63 | 35 | 23 | 22 |
| S. range livestock | 60 | 63 | 62 | 62 | 63 | 66 | 32 | 29 | 44 |
| California specialty | 72 | 69 | 72 | 57 | 58 | 59 | 106 | 178 | 230 |

1/ Based on a sample of sales of farm property reported by farm real estate dealers and others in March surveys. Most of the sales probably took place during the 6 months preceding the date of the survey.

of the purchase price had been paid (29 percent of all credit purchases) carried less than a fifth of the total new debt incurred. This is the lowest proportion in this debt-ratio class since data became available. The slow but steady increase in the amount of credit used to finance farm purchases during the last several years is continuing. Thus, the availability and terms of farm real estate credit have become increasingly important in determining activity in the land market.

Nonfarmers used credit to buy farms less frequently than active farmers in 1954-55, as in earlier years. Nationally, 70 percent of purchases by farmers were credit-financed while only 63 percent of the purchases by nonfarmers were credit-financed. Both types of buyers used credit more often than a year earlier, but farmer-buyers increased their use of credit more than nonfarmers. During the 1953-54 season, nonfarmers used credit as often or more frequently than farmer-buyers in four regions. In the current season this was noted in only one region, and there the two groups used credit with equal frequency. Increases from a year earlier were also more common and generally larger for farmer-buyers. A further classification of farmers into tenants and owner-operators showed that nearly 80 percent of the purchases by tenants were credit-financed, whereas owner-operators financed only 62 percent of their purchases. Thus, farmers who already owned land used credit to finance the purchase of additional land with about the same frequency as nonfarmers.

No significant differences were found among the various classes of buyers in the amount of debt incurred in credit purchases. Tenant purchasers had the highest average debt - it amounted to 60 percent of the purchase price - but the ratio for owner-operators, 58 percent, was nearly as high, and nonfarmer purchases averaged 59 percent. This suggests that the lending policies of credit agencies primarily determine the amount of debt that can be incurred, and that most classes of buyers tend to approach these limits.

## Sharp Advance in Farm Mortgage Recordings 4/

New mortgage debt secured by farm real estate and recorded in the first half of 1955 totaled $1.3 billion, 29 percent more than during the same period of 1954. This was the largest dollar volume for any 6-month period since records were started in 1934. The greater part of this increase resulted from a rise of 18 percent in the average size of farm mortgage loans made but the number of loans made also was up by 9 percent.

All classes of lenders showed increases in the dollar amounts of farm mortgages recorded during the first half of 1954. These increases

4/ Data on farm mortgage recordings are compiled by the Research and Information Division of the Farm Credit Administration. They include farm mortgages used to refinance existing mortgages, short-term debt and capital improvements as well as to finance farm purchases.

were particularly sharp for the Federal land banks and insurance companies, up 60 and 34 percent respectively. The number of loans made by the Federal land banks increased 25 percent, while the average size of such loans was up 28 percent, reflecting in part a modification in their appraisal policies made late in 1954. Insurance companies also increased the number of farm mortgage loans recorded by 25 percent but the average size of such loans increased only 7 percent. Other lenders, principally banks and individuals, showed more moderate gains, but activities of all lenders apparently reflected the general relaxation in the supply and availability of credit that occurred between 1954 and 1955. Although first initiated by insurance companies in early 1954, and followed later by the Federal land banks, individuals and commercial banks have apparently adopted similar positions with respect to more liberal extension of credit on farm mortgages.

## Lending Policies of Insurance Companies

Except for individuals, life insurance companies are the single most important source of farm real estate mortgage credit. As of January 1, 1955, they held slightly more than 25 percent of the total outstanding debt, a record high proportion. Although their holdings are concentrated largely in the Midwest and Southwest, where they hold 30 percent or more of the total in 12 States, the proportion exceeds 10 percent in many southeastern and western States. In terms of new mortgage credit, 22 percent of the total dollar volume during the first half of 1955 came from insurance companies. Nearly a third (31 percent) of these funds were used for purchase of farm real estate. A slightly larger proportion was used to refinance existing real estate mortgages, about half of which were held by the company making the new loan, and the rest for refinancing short-term debts and for other purposes.

Because of the importance of insurance companies in the farm mortgage credit field, a review of their lending policies may be of interest to other lenders and to prospective borrowers. 5/ Only two of the companies surveyed made loans throughout the entire country. Most of the others were active in all or some of the Corn Belt States as well as in the Great Plains area and their home States. Ten of the companies made loans of up to 20 years, and loans of 2 additional companies could exceed 20 years. The terms offered by most other companies ranged from 5 to 15 years. Most companies limit their loans to 50 percent of the value of the property, but loans of up to 60 percent are made by 8 companies. Although they are not covered in the survey, appraisal policies are known to differ among companies. Some accept the sales price as a basis for determining the loan; others determine a "normal agricultural value" which is frequently less than the sales price. In such instances, the maximum loan is frequently less than 60 percent of the sales price.

5/ Adapted from the summary of replies to a survey of 25 insurance companies conducted by the National Institute of Farm Brokers and reported in The Rural Realtor, Vol. VII, First Quarter, 1955.

One large company reported that if the loan exceeds 50 percent of the appraised value, it must be reduced to that amount, or less, within 3 years.

All companies reported some provision for amortizing loans, usually a minimum of 5 percent of the principal annually. All offered prepayment privileges but most had restrictions so that a loan would run for a minimum period, usually 3 to 5 years. An arrangement mentioned frequently was to allow up to 20 percent of the outstanding principal to be repaid in any one year. One large company limited prepayments to 20 percent of the original loan in any one year, but permitted the borrower to retire a larger proportion, or all, of the loan if his funds were derived exclusively from current operation of farms he owned or operated.

Table 8 .- Farm real estate: Index numbers of average value per acre, by States, July, 1955, with comparisons 1/

(1947-49 = 100)

| State and Division | 1920 | 1930 | 1940 | 1950 | 1953 | 1954 March | 1954 July | 1954 Nov. | 1955 March | 1955 July 2/ |
|---|---|---|---|---|---|---|---|---|---|---|
| Maine | 102 | 89 | 69 | 95 | 99 | 90 | 91 | 90 | 87 | 87 |
| New Hampshire | 91 | 79 | 67 | 97 | 108 | 105 | 104 | 103 | 105 | 105 |
| Vermont | 86 | 71 | 58 | 101 | 113 | 107 | 107 | 105 | 104 | 105 |
| Massachusetts | 91 | 86 | 74 | 99 | 112 | 106 | 107 | 106 | 106 | 107 |
| Rhode Island | 71 | 73 | 66 | 101 | 111 | 109 | 109 | 109 | 108 | 109 |
| Connecticut | 72 | 73 | 65 | 100 | 111 | 109 | 108 | 110 | 111 | 111 |
| New England | 88 | 80 | 67 | 99 | 108 | 103 | 103 | 102 | 102 | 102 |
| New York | 92 | 71 | 59 | 105 | 121 | 114 | 114 | 115 | 112 | 116 |
| New Jersey | 69 | 66 | 62 | 103 | 123 | 124 | 124 | 125 | 126 | 130 |
| Pennsylvania | 91 | 69 | 58 | 102 | 129 | 130 | 130 | 131 | 134 | 138 |
| Mid. Atlantic | 89 | 70 | 59 | 103 | 125 | 122 | 122 | 123 | 123 | 128 |
| Ohio | 95 | 54 | 46 | 101 | 134 | 132 | 133 | 136 | 141 | 144 |
| Indiana | 96 | 47 | 44 | 103 | 137 | 135 | 136 | 139 | 144 | 147 |
| Illinois | 106 | 61 | 50 | 108 | 140 | 139 | 141 | 144 | 142 | 148 |
| Michigan | 78 | 61 | 46 | 100 | 126 | 128 | 129 | 130 | 133 | 136 |
| Wisconsin | 119 | 81 | 58 | 101 | 119 | 113 | 111 | 112 | 111 | 114 |
| E. N. Central | 101 | 60 | 49 | 104 | 133 | 132 | 133 | 135 | 136 | 140 |
| Minnesota | 138 | 86 | 55 | 109 | 134 | 127 | 129 | 133 | 135 | 141 |
| Iowa | 146 | 77 | 50 | 108 | 128 | 124 | 125 | 128 | 132 | 134 |
| Missouri | 142 | 78 | 50 | 106 | 132 | 121 | 121 | 124 | 123 | 128 |
| North Dakota | 135 | 89 | 48 | 107 | 136 | 134 | 134 | 133 | 132 | 138 |
| South Dakota | 207 | 107 | 47 | 111 | 140 | 135 | 135 | 138 | 139 | 138 |
| Nebraska | 144 | 90 | 47 | 104 | 136 | 127 | 128 | 132 | 134 | 137 |
| Kansas | 95 | 71 | 45 | 106 | 133 | 125 | 125 | 125 | 129 | 132 |
| W. N. Central | 138 | 82 | 49 | 107 | 133 | 126 | 127 | 130 | 132 | 135 |
| Delaware | 86 | 69 | 55 | 98 | 123 | 120 | 123 | 125 | 126 | 129 |
| Maryland | 82 | 61 | 50 | 99 | 126 | 123 | 126 | 128 | 128 | 132 |
| Virginia | 81 | 58 | 48 | 101 | 134 | 129 | 130 | 133 | 3/131 | 136 |
| W. Virginia | 105 | 71 | 58 | 95 | 113 | 109 | 110 | 112 | 110 | 110 |
| N. Carolina | 69 | 49 | 43 | 106 | 138 | 133 | 136 | 138 | 138 | 144 |
| S. Carolina | 110 | 50 | 43 | 97 | 119 | 117 | 117 | 115 | 3/118 | 121 |
| Georgia | 119 | 55 | 45 | 99 | 129 | 126 | 126 | 123 | 3/129 | 131 |
| Florida | 76 | 74 | 57 | 97 | 123 | 116 | 114 | 119 | 125 | 125 |
| S. Atlantic | 89 | 57 | 48 | 101 | 129 | 125 | 126 | 128 | 3/129 | 132 |

Continued.

Table 8 .- Farm real estate: Index numbers of average value per acre, by States, July 1955, with comparisons 1/ - Continued

(1947-49 = 100)

| State and Division | 1920 | 1930 | 1940 | 1950 | 1953 | 1954 March | 1954 July | 1954 Nov. | 1955 March | 1955 July 2/ |
|---|---|---|---|---|---|---|---|---|---|---|
| Kentucky | 75 | 48 | 42 | 102 | 123 | 116 | 117 | 115 | 115 | 119 |
| Tennessee | 78 | 48 | 42 | 103 | 125 | 116 | 115 | 115 | 114 | 119 |
| Alabama | 69 | 56 | 47 | 101 | 131 | 125 | 124 | 124 | 123 | 123 |
| Mississippi | 94 | 53 | 46 | 106 | 139 | 130 | 131 | 129 | 131 | 133 |
| E. S. Central | 78 | 50 | 44 | 103 | 128 | 120 | 120 | 119 | 119 | 122 |
| Arkansas | 94 | 60 | 40 | 105 | 128 | 122 | 123 | 121 | 124 | 128 |
| Louisiana | 94 | 62 | 57 | 105 | 125 | 121 | 122 | 123 | 125 | 130 |
| Oklahoma | 89 | 68 | 50 | 108 | 133 | 125 | 126 | 126 | 130 | 131 |
| Texas | 97 | 76 | 55 | 102 | 134 | 130 | 131 | 129 | 133 | 141 |
| W. S. Central | 95 | 73 | 53 | 103 | 133 | 129 | 129 | 128 | 131 | 138 |
| Montana | 101 | 67 | 46 | 98 | 115 | 109 | 106 | 107 | 107 | 112 |
| Idaho | 98 | 74 | 53 | 95 | 97 | 91 | 90 | 90 | 90 | 92 |
| Wyoming | 99 | 63 | 42 | 99 | 118 | 108 | 107 | 105 | 105 | 105 |
| Colorado | 95 | 61 | 42 | 97 | 105 | 94 | 93 | 90 | 89 | 94 |
| New Mexico | 60 | 52 | 39 | 103 | 118 | 107 | 106 | 105 | 103 | 108 |
| Arizona | 73 | 64 | 47 | 95 | 124 | 113 | 113 | 111 | 110 | 116 |
| Utah | 136 | 106 | 61 | 100 | 108 | 101 | 101 | 100 | 101 | 102 |
| Nevada | 106 | 80 | 52 | 95 | 110 | 102 | 100 | 99 | 96 | 100 |
| Mountain | 94 | 67 | 46 | 98 | 111 | 102 | 101 | 100 | 99 | 103 |
| Washington | 105 | 83 | 54 | 93 | 101 | 96 | 97 | 96 | 96 | 100 |
| Oregon | 101 | 86 | 57 | 92 | 101 | 94 | 95 | 94 | 92 | 95 |
| California | 78 | 76 | 49 | 86 | 96 | 91 | 95 | 93 | 95 | 99 |
| Pacific | 84 | 78 | 51 | 87 | 97 | 92 | 95 | 93 | 94 | 99 |
| UNITED STATES | 105 | 70 | 50 | 102 | 127 | 122 | 123 | 124 | 125 | 129 |

1/ All farmlands with improvements as of March 1, except as indicated.
2/ Figures for July 1955 are preliminary.
3/ Revised.

Table 9 .- Farm real estate: Index numbers of average value per acre, by States, July, 1955 with comparisons 1/

(1912-14 = 100)

| State and Division | 1920 | 1930 | 1940 | 1950 | 1953 | 1954 March | 1954 July | 1954 Nov. | 1955 March | 1955 July 2/ |
|---|---|---|---|---|---|---|---|---|---|---|
| Maine | 142 | 124 | 95 | 132 | 137 | 126 | 127 | 126 | 121 | 120 |
| New Hampshire | 129 | 111 | 94 | 136 | 152 | 147 | 146 | 144 | 147 | 147 |
| Vermont | 150 | 123 | 101 | 176 | 196 | 186 | 186 | 183 | 181 | 184 |
| Massachusetts | 140 | 131 | 113 | 152 | 171 | 163 | 163 | 161 | 161 | 163 |
| Rhode Island | 130 | 134 | 120 | 184 | 203 | 200 | 200 | 198 | 197 | 200 |
| Connecticut | 137 | 140 | 124 | 191 | 213 | 209 | 207 | 210 | 213 | 214 |
| New England | 140 | 127 | 106 | 157 | 173 | 164 | 164 | 163 | 162 | 163 |
| New York | 133 | 103 | 86 | 152 | 175 | 165 | 165 | 167 | 162 | 169 |
| New Jersey | 130 | 125 | 116 | 194 | 233 | 234 | 234 | 236 | 238 | 245 |
| Pennsylvania | 140 | 107 | 90 | 157 | 199 | 200 | 200 | 202 | 206 | 213 |
| Mid. Atlantic | 136 | 106 | 90 | 157 | 190 | 186 | 186 | 188 | 188 | 194 |
| Ohio | 159 | 90 | 77 | 167 | 223 | 220 | 222 | 226 | 234 | 239 |
| Indiana | 161 | 80 | 74 | 174 | 231 | 228 | 230 | 234 | 243 | 248 |
| Illinois | 160 | 91 | 75 | 162 | 210 | 209 | 211 | 215 | 213 | 221 |
| Michigan | 154 | 121 | 91 | 198 | 249 | 252 | 254 | 257 | 263 | 268 |
| Wisconsin | 171 | 117 | 84 | 145 | 172 | 162 | 160 | 161 | 159 | 164 |
| E. N. Central | 161 | 96 | 78 | 166 | 213 | 211 | 212 | 215 | 218 | 224 |
| Minnesota | 213 | 133 | 86 | 169 | 207 | 196 | 200 | 206 | 210 | 218 |
| Iowa | 213 | 113 | 74 | 158 | 188 | 181 | 183 | 188 | 193 | 196 |
| Missouri | 167 | 92 | 59 | 124 | 154 | 142 | 142 | 146 | 145 | 151 |
| North Dakota | 145 | 95 | 52 | 115 | 146 | 144 | 144 | 143 | 142 | 149 |
| South Dakota | 181 | 93 | 41 | 97 | 122 | 117 | 117 | 121 | 121 | 120 |
| Nebraska | 179 | 113 | 58 | 130 | 169 | 159 | 159 | 165 | 167 | 171 |
| Kansas | 151 | 113 | 71 | 169 | 211 | 198 | 198 | 199 | 205 | 210 |
| W. N. Central | 184 | 109 | 65 | 142 | 177 | 167 | 169 | 172 | 175 | 179 |
| Delaware | 139 | 111 | 89 | 158 | 199 | 193 | 199 | 202 | 203 | 207 |
| Maryland | 166 | 123 | 100 | 199 | 254 | 247 | 253 | 257 | 257 | 264 |
| Virginia | 189 | 134 | 112 | 235 | 310 | 300 | 303 | 309 | 3/305 | 315 |
| W. Virginia | 154 | 105 | 85 | 139 | 165 | 160 | 162 | 165 | 161 | 162 |
| N. Carolina | 223 | 158 | 138 | 341 | 446 | 428 | 438 | 446 | 445 | 465 |
| S. Carolina | 230 | 104 | 89 | 203 | 249 | 244 | 248 | 240 | 3/246 | 253 |
| Georgia | 217 | 100 | 82 | 181 | 235 | 229 | 229 | 225 | 3/235 | 239 |
| Florida | 178 | 172 | 133 | 226 | 286 | 270 | 267 | 278 | 291 | 293 |
| S. Atlantic | 199 | 127 | 106 | 224 | 288 | 278 | 281 | 284 | 3/287 | 295 |

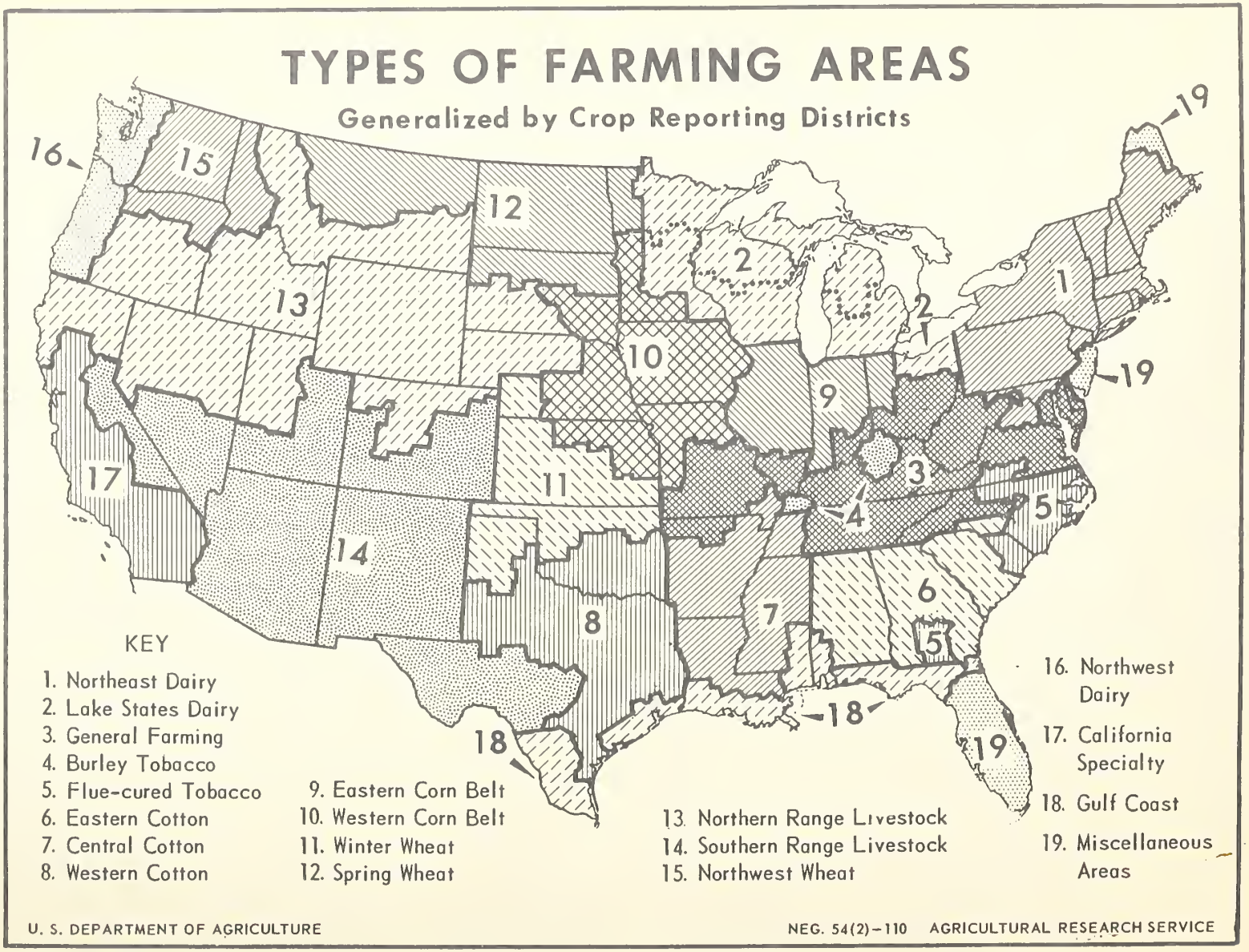
Continued.

Table 9.- Farm real estate. Index numbers of average value per acre, by States, July, 1955 with comparisons 1/ - Continued

(1912-14 = 100)

| State and Division | 1920 | 1930 | 1940 | 1950 | 1953 | 1954 March | 1954 July | 1954 Nov. | 1955 March | 1955 July 2/ |
|---|---|---|---|---|---|---|---|---|---|---|
| Kentucky | 200 | 127 | 113 | 272 | 330 | 312 | 313 | 309 | 308 | 320 |
| Tennessee | 200 | 123 | 108 | 265 | 321 | 298 | 296 | 297 | 293 | 305 |
| Alabama | 177 | 143 | 122 | 260 | 337 | 320 | 318 | 318 | 315 | 315 |
| Mississippi | 218 | 122 | 106 | 244 | 320 | 300 | 302 | 297 | 302 | 308 |
| E. S. Central | 199 | 128 | 112 | 263 | 327 | 307 | 307 | 305 | 304 | 312 |
| Arkansas | 222 | 141 | 95 | 247 | 302 | 288 | 290 | 286 | 293 | 302 |
| Louisiana | 198 | 132 | 121 | 221 | 264 | 256 | 257 | 259 | 264 | 273 |
| Oklahoma | 166 | 127 | 93 | 202 | 250 | 235 | 236 | 237 | 244 | 245 |
| Texas | 174 | 138 | 99 | 184 | 241 | 235 | 237 | 233 | 240 | 254 |
| W. S. Central | 177 | 136 | 99 | 192 | 247 | 239 | 241 | 238 | 245 | 256 |
| Montana | 126 | 83 | 57 | 122 | 143 | 135 | 131 | 133 | 133 | 139 |
| Idaho | 172 | 131 | 93 | 167 | 172 | 161 | 159 | 159 | 159 | 164 |
| Wyoming | 176 | 112 | 74 | 177 | 211 | 194 | 192 | 187 | 187 | 187 |
| Colorado | 141 | 90 | 62 | 145 | 156 | 141 | 138 | 135 | 133 | 139 |
| New Mexico | 144 | 126 | 95 | 250 | 287 | 260 | 258 | 255 | 250 | 262 |
| Arizona | 165 | 147 | 107 | 215 | 281 | 256 | 256 | 253 | 251 | 264 |
| Utah | 167 | 129 | 74 | 122 | 132 | 124 | 124 | 123 | 123 | 125 |
| Nevada | 135 | 102 | 65 | 121 | 139 | 129 | 127 | 126 | 122 | 127 |
| Mountain | 149 | 106 | 73 | 154 | 175 | 161 | 159 | 157 | 156 | 162 |
| Washington | 140 | 110 | 71 | 124 | 135 | 128 | 129 | 128 | 127 | 133 |
| Oregon | 130 | 111 | 73 | 119 | 130 | 121 | 122 | 121 | 118 | 123 |
| California | 167 | 164 | 106 | 184 | 207 | 197 | 203 | 199 | 204 | 212 |
| Pacific | 156 | 146 | 95 | 163 | 182 | 172 | 177 | 174 | 176 | 184 |
| UNITED STATES | 173 | 115 | 82 | 168 | 209 | 201 | 202 | 204 | 206 | 213 |

1/ Revised series. All farmlands with improvements as of March 1, except as indicated.
2/ Figures for July 1955 are preliminary.
3/ Revised.


TYPES OF FARMING AREAS
Generalized by Crop Reporting Districts
KEY
1. Northeast Dairy
2. Lake States Dairy
3. General Farming
4. Burley Tobacco
5. Flue-cured Tobacco
6. Eastern Cotton
7. Central Cotton
8. Western Cotton
9. Eastern Corn Belt
10. Western Corn Belt
11. Winter Wheat
12. Spring Wheat
13. Northern Range Livestock
14. Southern Range Livestock
15. Northwest Wheat
16. Northwest Dairy
17. California Specialty
18. Gulf Coast
19. Miscellaneous Areas
U. S. DEPARTMENT OF AGRICULTURE
NEG. 54(2)-110 AGRICULTURAL RESEARCH SERVICE